

TOWNSHIP BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES
ISSUED BY STATE BOARD OF ACCOUNTS

Volume 257, Page 1

May 2002

ITEMS TO REMEMBER

JUNE

- June 1: On or before June 1 and December 1 of each year (or more frequently if the county legislative body adopts an ordinance requiring additional certifications) the township shall certify a list of the names and addresses of each person who has money due from the township to the county treasurer. (IC 6-1.1-22-14)
- June 20: If a school township has become a part of a school corporation organized under chapter 202, Acts 1959, as amended, and if the reorganized school unit is obligated for civil aid bond retirement, the trustee will receive from the school corporation an amount of money sufficient to pay civil aid bonds and coupons coming due July 1. (IC 20-4-1-35)
- June: All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1) (The preceding month's ending record balance must be reconciled with the respective bank statement(s).)

JULY

- July 4: Independence Day - Legal Holiday (IC 1-1-9-1)
- July 8: Last day for dog tax distribution by Auditor of State. The county auditor makes distribution to townships having reported unpaid claims. (Second Monday in July) (IC 15-5-9-11)
- July 15: Last day to make pension report and payment for second quarter by townships participating in PERF.
- July 31: Last day to file quarterly report, Form 941, to the Internal Revenue Service for federal and social security taxes for the second quarter.
- July 31: Last day to make report for second quarter to the Department of Workforce Development.
- July: All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1) (The preceding month's ending record balance must be reconciled with the respective bank statement(s).)

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 2

May 2002

AUGUST

- August 5: On the first Monday of each August the trustee shall post, in a conspicuous place near his office, a verified statement showing the indebtedness of the township in detail and giving the number and total amount of outstanding orders, warrants and accounts. (IC 36-6-4-10)
- August 31: Last day for first publication of township budget (10 days prior to the public hearing). (IC 6-1.1-17-3)
- NOTE: See the Township Bulletin, Volume 258, August 2002 for budget dates or call the Department of Local Government Finance at (317) 232-3773.
- NOTE: The township board should set the salaries of township officials and employees except assessing officials and employees, in conjunction with the preparation and completion of the township budget. (Use Township Form 17)
- August: All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1) (The preceding month's ending record balance must be reconciled with the respective bank statement(s).)

LEVY EXCESS FUND

IC 6-1.1-18.5-17 requires that a local taxing unit shall establish a "Levy Excess Fund." That portion of the property taxes received which exceeds one hundred two percent (102%) of the taxing unit's ad valorem property tax levy shall be receipted to the "Levy Excess Fund."

Each year the Department of Local Government Finance will certify to each unit of local government figures which show one hundred two percent (102%) of the tax levy for each fund, and if the property taxes received exceed one hundred two percent (102%) of the levy, the excess shall be receipted to the "Levy Excess Fund" unless the amount is less than \$100.00 in any calendar year.

Determining Need For Levy Excess Fund

We understand the Department of Local Government Finance will calculate the amount necessary to be transferred to the Levy Excess Fund and forward those calculations to the units of local government. Anyone desiring to verify these amounts may do so by reviewing the following.

A "Levy Excess Fund" in some townships may not need to be established. To determine if a Levy Excess Fund should be established, you should:

- (1) Obtain a total for all funds of the amounts certified as one hundred two percent (102%) of the tax levy for each fund.
- (2) Add the amounts shown on the County Auditor's Certificate of Tax Distribution on the Totals" line of the taxes column headed "General Property" for the June and December tax distributions of the applicable year. Do not include License Excise Tax, Financial Institutions Tax or Commercial Vehicle Excise Tax.
- (3) If the total (all funds) of one hundred two percent (102%) of the tax levy exceeds the total taxes received (Item2), a "Levy Excess Fund" does not need to be established.
- (4) A "Levy Excess Fund" must be established if the total taxes received exceeds one hundred two percent (102%) of the tax levy unless the amount is less than \$100.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 3

May 2002

- (5) Contact the Department of Local Government Finance concerning levy excess questions.

Handling of Levy Excess Fund on Records

Townships for which determination is made that a Levy Excess Fund must be established should have a worksheet prepared in the following manner:

LEVY EXCESS WORKSHEET

Name of Township _____ Date _____

Taxes for 20____ Payable in 20____.

| | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| 102% of Tax Levy | \$ | \$ | \$ | \$ | \$ |
| General Property Taxes – June Settlement (Deduct) | _____ | _____ | _____ | _____ | _____ |
| Portion of December Settlement Due Individual Funds (1) | _____ | _____ | _____ | _____ | _____ |
| Total Property Taxes December Settlement* | | | | | \$ |
| Less Portion of December Settlement Due Individual Funds (Above) | | | | | _____ |
| Amount Due Levy Excess Fund (1) | | | | | \$ _____ |

* Property Taxes Only. Do not include License Excise Tax, Financial Institutions Tax or Commercial Vehicle Excise Tax.

- (1) The "Portion of December Settlement Due Individual Funds" should be receipted to the individual funds and the "Amount Due Levy Excess Fund" should be receipted to the Levy Excess Fund.

Use of Fund

The statute provides that the Department of Local Government Finance may require a taxing unit to include the amount in its Levy Excess Fund in the taxing unit's budget. After the budget has been approved, the amount in the Levy Excess Fund should be transferred from the Levy Excess Fund by check and receipt to the fund or funds in which the reductions were made to reduce the amount to be raised by taxation.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 4

May 2002

If the property tax levy approved by the Department of Local Government Finance for a township for a calendar year is greater than the property tax levy collected by the township for the calendar year, the township may transfer money from the township's Levy Excess Fund to the township's General Fund in an amount not greater than the difference of: (1) the property tax levy approved by the Department of Local Government Finance for the township for the calendar year; minus (2) the property tax levy collected by the township for the calendar year.

No monies should be spent from the Levy Excess Fund except as above provided.

Investments

Any balance in the Levy Excess Fund can and should be invested in the same manner in which money in the Township Fund may be invested. Any income derived from investment of the money shall be deposited in and become a part of the Levy Excess Fund.

Advance Draws

If the amount received in the June settlement, plus advance draws against the December settlement (prior to reviewing the final distribution), exceeds one hundred two percent (102%) of the tax levy, a necessity will exist to transfer the amount of the excess by warrant (check) and quietus (receipt) from the affected fund or funds to the Levy Excess Fund.

Tax Refunds

IC 6-1.1-18-5.17 authorizes reimbursement from the Levy Excess Fund of amounts refunded for erroneous taxes under certain circumstances.

Generally, tax refunds are deducted by the county auditor from taxes available for distribution, so that amounts received by a governmental unit are "net" after deducting the refunds. If refunds are made of taxes paid in a year prior to the current year, such as 2000 payable in 2001 taxes refunded in 2002, or if an unusually large amount is refunded for taxes paid in a particular taxing district, the loss in receipts from property taxes may be reimbursed from the Levy Excess Fund. However, prior to a governmental unit reimbursing the amount of any tax refund from the Levy Excess Fund, the county auditor should contact the Department of Local Government Finance for approval.

All tax refunds shall be made from the County General Fund in the usual manner, deducted in the December settlement and receipted to the County General Fund. After the Department of Local Government Finance has approved reimbursement from the Levy Excess Fund, a necessity will exist for the county auditor to apportion to each taxing unit the amount refunded and notify each affected taxing unit of the amount which should be transferred from the taxing unit's Levy Excess Fund to the General Fund (Township Fund) or Operating Fund of the taxing unit.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 5

May 2002

NEW LAWS AFFECTING TOWNSHIPS

The following is a Digest of some of the laws passed by the 2002 Regular Session of the General Assembly affecting townships. Please note the effective dates. Some of the laws do not pertain directly to townships but are included in the Digest for ready reference to the covered subject matter.

The Digest is not intended as an expression of legal interpretation. Nor is the Digest intended to be all inclusive. The Digest does not include any information pertaining to the currently ongoing Special Session of the General Assembly. References in the Digest will be to the Indiana Code in the following form (Amends IC 12-20-9-6) (Amends Indiana Code, Title 12, Article 20, Chapter 9, Section 6).

PUBLIC LAW 2 – SENATE ENROLLED ACT 57. EFFECTIVE JULY 1, 2002. TITLE 32. Recodifies IC 32.

PUBLIC LAW 3 – HOUSE ENROLLED ACT 1010. EFFECTIVE JULY 1, 2002. PROPERTY SEIZURE. Amends IC 34-24-1-1 concerning equipment seizures by police departments in certain circumstances.

PUBLIC LAW 17 - SENATE ENROLLED ACT 213. EFFECTIVE JULY 1, 2002. EMERGENCY MEDICAL TECHNICIANS. Amends and adds to IC 16 concerning emergency medical technicians administering epinephrine through an auto-injector.

PUBLIC LAW 21 - SENATE ENROLLED ACT 260. EFFECTIVE JULY 1, 2002. TRUSTEE DESIGNATION AND SALARIES. Amends IC 36-6-4-18 to provide that within thirty (30) days after taking office, the executive shall designate a person who shall perform the executive's duties whenever the executive is incapable of performing the executive's functions because the executive (1) is absent from the township; (2) becomes incapacitated.

Also amends IC 36-6-6-10 (c) to provide subject to subsection (d) the township legislative body may reduce the salary of an elected or appointed official. However, the official is entitled to a salary not less than the salary fixed for the first year of the term of office that immediately preceded the current term of office.

PUBLIC LAW 31 - SENATE ENROLLED ACT 443. EFFECTIVE JULY 1, 2002. PUBLIC PURCHASES LAW. Amends IC 5-22-3-4 to provide that the governmental body may receive electronic offers by fax machine, e-mail or by means of another electronic system that has a security feature that protects the content of the electronic offer with the same degree of protection as the content of an offer that is not transmitted by electronic means. Also amends IC 5-22-7-5 and IC 5-22-9-3 to provide the purchasing agency for a political subdivision may also provide electronic access to the notice through the electronic gateway administered by the Intelnet Commission as determined by the Commission.

Also adds IC 5-22-22-4.5 to provide the purchasing agency may sell surplus property using an Internet auction site that satisfies both of the following: (1) The site is approved by the Intelnet Commission. (2) The site is linked to the electronic gateway administered by the Intelnet Commission. The purchasing agency's posting of the sale on the Internet auction site must include a detailed description of the surplus property to be sold. The purchasing agency may pay the costs of conducting the auction on the Internet site as required by the person maintaining the auction site. Also provides corresponding amendments to IC 5-22-22-5, IC 5-22-22-11 and IC 5-22-22-12 concerning these changes.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 6

May 2002

PUBLIC LAW 49 - HOUSE ENROLLED ACT 1238. EFFECTIVE JULY 1, 2002. STATE SURPLUS PROPERTY. Amends IC 5-22-21-7 to provide the Commissioner of the Department of Administration shall determine the market price for the surplus property that is stated in the notice of the sale. The Department shall sell the surplus property to the highest governmental bidder whose bid equals or exceeds the market price determined by the Commissioner.

PUBLIC LAW 61 - SENATE ENROLLED ACT 59. EFFECTIVE JULY 1, 2002. PERF, ELECTRONIC TRANSFERS. Amends IC 5-13-5-5 to provide for transacting financial business with the Public Employees Retirement Fund through the use of electronic funds transfer.

Also provides various other changes to IC 5-10.2, IC 5-10.3 and IC 36-8 concerning benefits, contributions, rollovers and distributions.

PUBLIC LAW 62 - SENATE ENROLLED ACT 60. EFFECTIVE JULY 1, 2002. FIREFIGHTERS RETIREMENT FUNDS - DEATH IN THE LINE OF DUTY. Amends and adds to IC 36-8 concerning a Deferred Retirement Option Plan (DROP) for Firefighters Pension Plan Funds.

Also amends IC 36-8 to provide new definitions for death in line of duty for firefighters.

PUBLIC LAW 73 - SENATE ENROLLED ACT 269. EFFECTIVE JULY 1, 2002. Amends IC 5-10.2 concerning vested status for certain PERF members.

PUBLIC LAW 86 - SENATE ENROLLED ACT 178. EFFECTIVE JULY 1, 2002. TITLE IV-D SUBPOENAS. Amends IC 12-17-2-16 to provide that each unit of state and local government shall comply with administrative subpoenas issued by a Title IV-D agency in another jurisdiction. Also amends IC 31-16-15-16 concerning child support to provide "If the income payor: (1) is required to withhold income from more than one (1) obligor under this chapter; and (2) employs more than fifty (50) employees; the income payor shall make payments to the state central collection unit through electronic funds transfer."

PUBLIC LAW 89 - SENATE ENROLLED ACT 331. EFFECTIVE JULY 1, 2002. LEVIES. Amends IC 6-1.1-18.5-13 concerning Local Government Tax Control Board Levy increase issues.

PUBLIC LAW 90 - SENATE ENROLLED ACT 357. EFFECTIVE VARIOUS DATES. STATE BOARD OF TAX COMMISSIONERS. ELIMINATION OF REFERENCES. Numerous provisions throughout the Indiana Code that are amended to replace the State Board of Tax Commissioners with the Department of Local Government Finance.

PUBLIC LAW 98 - HOUSE ENROLLED ACT 1158. EFFECTIVE MARCH 21, 2002. ENERGY SAVINGS CONTRACTS. Amends and adds to IC 36-1-12.5 concerning energy savings contracts. IC 36-1-12.5-0.5 is added to provide in this chapter, "actual savings" includes stipulated savings.

IC 36-1-12.5-0.7 is added to provide as used in this chapter, "causally connected work" means work that is required to properly implement an energy conservation measure.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 7

May 2002

IC 36-1-12.5-1 (6) is amended to provide for other energy conservation measures that reduce energy consumption or reduce operating costs, including future: (A) labor costs; (B) costs for contracted services; and (C) related capital expenditures.

IC 36-1-12.5-2.5 is added to provide "industry engineering standards" includes the following: (1) lifecycle costing. (2) the R.S. Means estimating method developed by the R.S. Means Company. (3) historical data. (4) manufacturer's data. (5) American Standard Heating Refrigeration Air-Conditioning Engineers (ASHRAE) standards.

IC 36-1-12.5-3.5 is added to provide as used in this chapter, "related capital expenditures" includes capital costs that: (1) the governing body reasonably believes will be incurred during the contract term; (2) are part of or are causally connected to the energy conservation measures being implemented; and (3) are documented by industry engineering standards.

IC-36-1-12.5-3.7 is added to provide as used in this chapter, "stipulated savings" are assumed savings that are documented by industry engineering standards.

Adds changes to IC 36-1-12.5-10. Reporting to the Indiana Department of Commerce.

IC 36-1-12.5-11 is added to provide (a) A guaranteed energy savings contract that includes stipulated savings must specify the methodology used to calculate the savings using industry engineering standards. (b) Stipulated savings may be used for energy conservation measures including the following: (1) Heating. (2) Air conditioning. (3) Ventilating. (4) Lighting. (5) Roofing. (6) Windows. (7) Water conservation. (8) Fuel and power improvements. (9) Any work that is causally connected to the energy conservation measures listed in subdivisions (1) through (8). (c) The guaranteed energy savings contract shall: (1) describe stipulated savings for: (A) energy conservation measures; and (B) work causally connected to the energy conservation measures; and (2) document assumptions by industry engineering standards.

IC 36-1-12.5-12 is added to provide (a) An improvement that is not causally connected to an energy conservation measure may be included in a guaranteed energy savings contract if: (1) the total value of the improvement does not exceed fifteen percent (15%) of the total value of the guaranteed energy savings contract; and (2) either: (A) the improvement is necessary to conform to a law, a rule, or an ordinance; or (B) an analysis within the guaranteed energy savings contract demonstrates that: (i) there is an economic advantage to the political subdivision in implementing an improvement as part of the guaranteed energy saving contract; and (ii) the savings justification for the improvement is documented by industry engineering standards. (b) The information required under subsection (a) must be reported to the department of commerce.

PUBLIC LAW 104 - SENATE ENROLLED ACT 52. EFFECTIVE AUGUST 1, 2002. TAXING SITUS. Adds IC 6-8.1-15 and amends IC 36-8-16.5 and IC 6-2.5-4 concerning defining Taxing Situs as the primary use locations for persons using mobile telecommunications equipment.

PUBLIC LAW 106 - SENATE ENROLLED ACT 107. EFFECTIVE DECEMBER 30, 2001, RETROACTIVE. INDIANA PRESCRIPTION DRUG ADVISORY COMMITTEE. Amends Public Law 291-2001 to add a township trustee as an appointee to the Committee.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 8

May 2002

PUBLIC LAW 110 – SENATE ENROLLED ACT 270. EFFECTIVE MARCH 26, 2002. LIBRARIES. Amends IC 20-14 concerning library claims.

PUBLIC LAW 123 – HOUSE ENROLLED ACT 1001. EFFECTIVE JULY 1, 2002. MUTUAL AID AGREEMENTS. Adds IC 10-4-1-5.5 concerning Mutual Aid Agreements providing procedures, reimbursements, terms governing insurance, assignment of liability and other terms.

PUBLIC LAW 124 - HOUSE ENROLLED ACT 1015. EFFECTIVE MARCH 26, 2002. PRICE GOUGING IN DECLARED EMERGENCIES. Adds IC 4-6-9.1 concerning Attorney General powers and duties regarding price gouging.

PUBLIC LAW 126 – HOUSE ENROLLED ACT 1101. EFFECTIVE VARIOUS DATES. ELECTION LAW CHANGES. Amends and adds to various election law requirements.

PUBLIC LAW 128 – HOUSE ENROLLED ACT 1121. EFFECTIVE MARCH 26, 2002. PRIVATE ROAD TRAFFIC REGULATION. Amends IC 9-21-1-2 concerning requests for private road traffic regulation within an authority's jurisdiction.

PUBLIC LAW 140 - SENATE ENROLLED ACT 249. EFFECTIVE JULY 1, 2002. BUILDING OR REMODELING EQUIPMENT FUND, LAND PURCHASES. Amends IC 36-8-14-2 to provide that the legislative body of a unit or the board of fire trustees of a fire protection district may provide a cumulative building or remodeling equipment fund for the purchase of land used by the fire department or a volunteer fire department serving the unit.

Also provides for the purchase of land for use of a provider of emergency medical services under IC 16-31-5.

PUBLIC LAW 150 – HOUSE ENROLLED ACT 1081. EFFECTIVE JULY 1, 2002. FIREFIGHTER HEALTH CARE. Adds IC 36-8-13-9 to provide (a) A township shall pay for the care of a full-time, paid firefighter who suffers: (1) an injury; or (2) contracts an illness during the performance of the firefighter's duty. (b) The township shall pay for the following expenses incurred by a firefighter described in subsection (a): (1) Medical and surgical care. (2) Medicines and laboratory, curative, and palliative agents and means. (3) X-ray, diagnostic, and therapeutic service, including during the recovery period. (4) Hospital and special nursing care if the physician or surgeon in charge considers it necessary for proper recovery. (c) Expenditures required by subsection (a) shall be paid from the township firefighting fund established by section 4 of this chapter. (d) A township that has paid for the care of a firefighter under subsection (a) has a cause of action for reimbursement of the amount paid under subsection (a) against any third party against whom the firefighter has a cause of action for an injury sustained because of, or an illness caused by, the third party. The township's cause of action under this subsection is in addition to, and not in lieu of, the cause of action of the firefighter against the third party.

Similar provisions are added to IC 36-8-11 and IC 36-8-19.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 9

May 2002

PUBLIC LAW 151 - HOUSE ENROLLED ACT 1088. EFFECTIVE MARCH 27, 2002. REASSESSMENTS.
Amends IC 6-1.1-4 concerning contracts entered into for reassessing purposes.

**PUBLIC LAW 153 - HOUSE ENROLLED ACT 1208. EFFECTIVE JULY 1, 2002. FIRE DEPARTMENT
DISPLAY LIGHTS.** Amends IC 36-8-12-11 concerning permissible flashing lights for fire departments.

PUBLIC LAW 170 – SENATE ENROLLED ACT 399. EFFECTIVE APRIL 1, 2002. CENSUS CHANGES.
Amends various sections of the Indiana Code concerning the 2000 census.

**PUBLIC LAW 176 – HOUSE ENROLLED ACT 1138. EFFECTIVE JULY 1, 2002. HYDRANT RENTAL,
PROPERTY TAX REPLACEMENT FUND DISTRIBUTIONS.** Amends IC 8-1-2-103 to provide certain cities or towns may pass on hydrant rental to customers of the water utility serving the city or towns that live within the city or town.

Adds IC 8-1.5-5-7 to provide the collection of fees through a periodic billing system for storm water management districts.

Amends IC 6-1.1-21-10 and adds IC 6-1.1-21-10.5 to provide for the advance of an estimated distribution of Property Tax Replacement Credit under certain circumstances.

PUBLIC LAW 177 - HOUSE ENROLLED ACT 1195. EFFECTIVE MARCH 28, 2002. ASSESSING.
Amends IC 6-1.1 concerning assessing, including provisions for per diems for individuals prior to taking office.

**PUBLIC LAW 178 – HOUSE ENROLLED ACT 1196. EFFECTIVE MARCH 28, 2002. ASSESSING
CONTRACTS, BUDGETS.** Amends various sections of IC 6-1.1 concerning assessing and reassessing contracts.

Amends IC 6-1.1-17-3(b) concerning advertised poor relief rates.

Amends IC 6-1.1-17-5 to add (f) if a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivision for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

Amends IC 6-1.1-17-13 to add (b) This subsection applies to provisions of the budget and tax levy of a political subdivision: (1) against which an objection petition was filed under section 5(b) of this chapter; and (2) that were not changed by the fiscal body of the political subdivision after hearing the objections. A group of ten (10) or more taxpayers may not initiate an appeal under subsection (a) against provisions of the budget and tax levy if less than seventy-five percent (75%) of the objecting taxpayers with respect to the objection petition filed under section 5(b) of this chapter were objecting taxpayers with respect to the objection statement filed under subsection (a) against those provisions.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 10

May 2002

Amends IC 6-1.1-18-9 to delete item (1).

Amends IC 6-1.1-18.5-12 concerning civil taxing units requesting relief from the levy limitations prior to September 20.

Amends IC 6-1.1-20-1.1 concerning a "controlled project" as a project that will not cost the political subdivision more than two million dollars (\$2,000,000).

Amends IC 6-1.1-20-3.2(7) concerning a political subdivision not being required to follow IC 6-1.1-20-5.

Amends IC 6-1.1-30-1.1 concerning the Governor appointing a commissioner for the Department of Local Government Finance.

Numerous other changes to IC 6 concerning taxes.

Amends IC 21-2-15-11(b) concerning adjusted property tax rates.

Amends IC 36-8 concerning township, fire districts and fire protection territories true tax values.

PUBLIC LAW 180 - HOUSE ENROLLED ACT 1263. EFFECTIVE MARCH 28, 2002. FIRE DEPARTMENT MERIT SYSTEMS. Amends IC 36-8-3.5-1 to provide a township may exercise the power of establishing a merit system for its fire department under this chapter or by resolution established under IC 36-1-4-14.

Section (f) is also added to provide the chapter does not prevent a township that has adopted a merit system under section 3 from later amending or deleting a provision to the merit system. However, the merit system must include a provision under which the commission has at least one-third (1/3) its members elected by the active members of department, as set forth in section 8 of this chapter and a provision that incorporates the requirements of section 6 (a) of this chapter. This subsection does not require the legislative body to establish a new merit system when it exercises its power to amend under this subsection. Please note IC 36-8-3.5-1 states in part "This chapter applies to each....township that has a full-time paid fire department."

Also amends IC 36-8-3.5-3 to provide the legislative body of the township may, by resolution, establish a merit system under this chapter for the township's fire department.

Amends IC 36-8-3.5-4 for distribution requirements of the resolution to members of the fire department. Also IC 36-8-3.5-5 concerning the active members of a department requesting establishment of merit systems.

Amends IC 36-8-3.5-10 concerning merit commission and the placement of rules with a township trustee at least ten (10) days before the hearing.

Amends IC 36-8-3.5-20 to provide members of a fire department shall retire when the member reaches the member's seventieth birthday. However, a member who is 70 or older at the time of the resolution establishing the merit system may serve until the end of the calendar year.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 257, Page 11

May 2002

PUBLIC LAW 185 – HOUSE ENROLLED ACT 1347. EFFECTIVE JULY 1, 2002. FIREFIGHTER AND EMS DISABILITY. Amends and adds to IC 5-10 disabilities assumed to be incurred in the line of duty.

PUBLIC LAW 186 - HOUSE ENROLLED ACT 1360. EFFECTIVE MARCH 28, 2002. BUILD INDIANA FUND. Amends and adds to IC 4-30-17 concerning Build Indiana Funds to add political subdivisions and volunteer fire departments or other recognized groups providing firefighting or other emergency services to the area served by the political subdivision.

Add definitions for projects to IC 4-30-17-4.1, including land, improvements, buildings, and equipment. Also provides procedures for applicants.

IC 4-30-17-11 is added requiring conditions for the receipt of Build Indiana Funds including being subject to audit and reporting requirements under IC 5-11-1 (State Board of Accounts).